

**Before the State of South Carolina  
Department of Insurance**

In the matter of:

Gene F. Stephens  
1037 Willow Woods Drive  
Aiken, South Carolina 29807

File Number: 124092

**Default Order Revoking  
All Licensing Privileges**

This matter comes before me pursuant to a Letter of Allegation and Notice of Opportunity for Public Hearing served, as required within S.C. Code Ann. § 38-3-170 (Supp. 2004), by the State of South Carolina Department of Insurance upon Gene F. Stephens, a licensed South Carolina resident insurance agent, by both certified mail, return receipt requested, and by regular mail on March 14, 2005.

That letter informed Mr. Stephens of his right to request a public hearing upon the allegations of impropriety contained within the letter against him. The letter further warned that his failure to make a timely, written request would result in my summary revocation of his license to do business as a resident insurance agent within the State of South Carolina. Despite that warning, he has failed to respond to the Department's letter. On April 22, 2005, therefore, counsel for the Department filed an Affidavit of Default, and submitted the entire matter directly to me for my summary decision based solely on the record.

The letter alleged, and I now find as fact, that while licensed to do business as a resident insurance agent within the State of South Carolina, Gene Stephens "misappropriated monies collected in concept of Continued Education Fees, from various customers." These acts, as alleged, are a direct violation of S.C. Code Ann. § 38-43-130 (Supp. 2004). That Code section provides that "the Director or his designee may revoke or suspend an agent's license after ten day's notice...when it appears that an agent...has willfully deceived or dealt unjustly with the citizens of this State." This Code section goes on in Subsection (C)(4) to describe "deceived or dealt unjustly with the citizens of this state" specifically to include, "improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business."

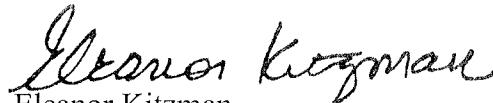
In accordance with my findings of fact, and considering Mr. Stephens' complete refusal to avail himself of his opportunity to be heard, I now conclude, as a matter of law, that he willfully deceived and dealt unjustly with the citizens of South Carolina, thereby violating S.C. Code Ann. § 38-43-130(C)(4) (Supp. 2004), and that all of his licensing privileges should be revoked.


This administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2004). Nothing contained within this administrative disciplinary order should be construed to limit or to deprive any person of any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the law relative to the business of insurance or the provisions of this title which he considers necessary to report." S.C. Code Ann. § 38-3-110 (4) (Supp. 2004).

It is therefore ordered that Gene Stephens' license to transact business as a resident insurance agent within the State of South Carolina be, and is hereby, revoked, and that no license, issued through the State of South Carolina Department of Insurance is to be issued to him.

It is further ordered that a copy of this Order be transmitted to the National Association of Insurance Commissioners for distribution to its current member states and to each insurer for which Mr. Stephens is currently licensed, through the State of South Carolina Department of Insurance, as a resident insurance agent within the State of South Carolina.

This order becomes effective as of the date of my signature below.

  
Eleanor Kitzman  
Director

  
~~April~~ 2, 2005, at  
Columbia, South Carolina

**Before the State of South Carolina  
Department of Insurance**

In the matter of:

Gene F. Stephens,  
1037 Willow Woods Drive  
Aiken, South Carolina 299807


SCDOI File Number 124092

**Affidavit of Default**


Personally appeared before me John B. O'Neal, III who, being duly sworn, stated that at all times relevant to this Affidavit of Default he was an attorney representing the State of South Carolina Department of Insurance in this administrative action. He further stated the following:

The Department served notice on the above-named respondent, at the address detailed above by a Letter of Allegation and Notice of Opportunity for a Public Hearing that the Department would request the Director of Insurance to summarily revoke his license to act as a resident insurance producer within the State of South Carolina in thirty days. The Department served the Notice, pursuant to S.C. Code Ann. § 38-3-170 (Supp. 2004), by "depositing it in the United States mail, postage prepaid, addressed to the last known address of the person and registered with the return receipt requested." That Notice further informed respondent of his opportunity, within thirty days, to request in writing a public hearing, by notifying the Administrative Law Court and payment of the corresponding filing fee.

The United States Postal Service attempted delivery of the Notice by certified mail, return receipt requested, and by regular mail, at least on three occasions: March 15, 21 and 30, of the current year, to no avail. Our Departments' letters were returned to us with an "Unclaimed" stamp on them. Gene Stephens has not made a written request for a Public Hearing, and the time in which to do so has expired. He is now in default.

  
John B. O'Neal, III  
Associate General Counsel

Sworn to and subscribed before me  
This <sup>5/23</sup>2<sup>nd</sup> day of <sup>May</sup>April, 2005.

  
Steven R. DuBois

Notary Public for the State of South Carolina  
My Commission Expires May 10, 2009

South Carolina Department of Insurance  
Post Office Box 100105  
Columbia, South Carolina 29202-3105  
(803) 737-6132